

## OFFICE OF ATTORNEY GENERAL

MEMORANDUM

October 15, 1980

WILLIAM J. SCOTT  
ATTORNEY GENERALTO FileFROM Reed NeumanSUBJECT Dead Creek: Ruan Trucking Company (purchaser of Harold Waggoner & Co.)

9/25/80

On 9/25/80, I got a phone call from Ken Kessler, Attorney for Ruan Trucking Company of Des Moines, Iowa. Kessler had read a memo from Bill Bowen of Ruan, whom I had talked to the other day to ask about Ruan's purchase of Waggoner's property and operation.

Kessler said he had checked around to find out about the circumstances of the sale. Apparently, Ruan is in the process of buying the property from Waggoner under a contract for deed. Around 1974 Ruan started negotiating with Waggoner for the purchase, and apparently leased the property from Waggoner for awhile. The contract to buy the property was finally filed with the St. Clair County Recorder of Deeds in August of 1978 (Book 2450, page 106). The contract is for 10 years.

According to Kessler, the property was vacant for some time in the mid 70's, after Waggoner had ceased operations and before the take over by Ruan. Apparently Ruan is now leasing that property to the Metro Construction Equipment Company, run by Tony Lechtner. The property comprises a little over 21 acres.

Kessler told me that Ruan's interest in the property was not so much the physical plant that Waggoner built, but rather was the Interstate Commerce Commission rights that Waggoner owned. As far as he knew, Ruan never used the facility to park any trucks at, perhaps only using it as a

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dispatch station. In 1974, Ruan filed with the ICC to purchase Harold Waggoner & Co., and Kessler surmised that they probably leased the property from Waggoner at that point until the ICC gave its approval. ICC approval was delayed for approximately 2 or 3 years.

I asked Kessler about the specifics of the contract for deed. As he said, it's a 10 year deal, with a total price of \$125,000.00, payable in equal installments. The contract was with Harold Waggoner as an individual. Apparently, some time between 1974 and 1978 [1975], Harold Waggoner had transferred ownership of the property from his company to himself.

Because he admittedly was a little fuzzy on some of the details, Kessler said he would check these things out a little further and get back to me in a couple of days.

9/29/80

On 9/29/80, Kessler called me back to discuss this matter a little further, ostensibly because he had more accurate information for me. It was his understanding that Ruan never actually conducted any operations from the Waggoner property in Cahokia. From 1974 to 1978, Ruan had temporary control of Waggoner and Co. It was not really a lease agreement. Apparently, Waggoner personnel still operated the facility, on behalf of Ruan Trucking Co. In the brief period of 1974 to 1975, Kessler said the facility was used just as a dispatch center, and that no maintenance was performed there during that time.

Also, Kessler had received a call from Ron St. John, of Illinois EPA's Groundwater Management Section, asking for Ruan's permission to go on the Waggoner property with its drill rig. Apparently Kessler told St. John that it was O.K. by Ruan to do this, but that Illinois EPA should really ask the current tenant and/or Harold Waggoner, the "true owner".

10/1/80

On 10/1/80, I called Kessler back with a few more questions. First, I wanted to know if Ruan had records of the employees working for Waggoner & Co. at least during the period that Ruan controlled that operation. Kessler was not sure whether any such records existed, but told me that he would talk to Ruan people who at least might remember the names of the people working there at that time, and get back to me.

Also, I asked Kessler about the purchase of Harold Waggoner & Co., and whether there was a separate contract for the purchase of the business itself distinct from the purchase of the real property. He said that indeed there was, with certain amounts allocated for the physical plant, certain other amounts allocated for the ICC authority, rights, etc. He said the total of the purchase agreement with Waggoner could well be over a half-a-million dollars. I asked him to come up with some of these figures for me, and he said he would at least probably be able to come up with a ball park figure, and would get back to me.

He again wanted me to understand that Ruan Co. controlled Harold Waggoner & Co. during that period of 1974 to 1978, but that it was run by Waggoner personnel and was operated under the name of Harold Waggoner & Co., Chemical Transporters.

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Kessler's phone number in Des Moines is 515/245-2725.

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